

Good Afternoon. My name is Joe Williams. I own and operate Williams Septic Pumping Service based in Leelanau County near Traverse City Michigan. I would like to thank the Committee for the opportunity to speak today. In Michigan there are approximately 1.3 million onsite wastewater systems most of which are septic systems for single family homes. It is estimated that 10% or more of those systems are currently in a state of failure due to age, design, location and most importantly and preventable are failures due to lack of maintenance. Maintenance very simply consists of inspecting and pumping the septic tank periodically. Coupled with a little education to the homeowner and this simple maintenance practice will significantly increase the longevity of a septic system.

In 2005 in my area it cost about 150-160 dollars to have a tank serviced. Fast forward 9 years, add inflation, higher fuel costs and ammended regulations and you now can get your septic tank pumped for a little over 200.00 dollars. Unless!! You live in GT County. Currently in Grand Traverse County the cost to pump a septic tank runs 400-600 dollars. That is a 300-400% increase vs a 30% increase in the neighboring county over 9 years. These increases are due to disposal fees. In neighboring Benzie County the local treatment plant charges 4 cents per gallon to

receive waste from haulers. Imagine that being equivalent to \$4 a gallon diesel fuel. In Grand Traverse, the County charged 12 cents per gallon or the equivalent of \$12 per gallon of diesel fuel. Why so expensive? When GT built their facility there was no accountability. They spent a whopping 7.8 million and built an unsustainable facility that could service 3 Grand Traverse Counties and chose to use the high bidder.

The result? A grossly oversized facility, compounded by homeowners cutting back on maintaining their systems due to the high price. In the second month of operation a wall collapsed at the facility and 400,000 gallons of septage spilled onto the ground and surrounding property. By 2013 the facility is so upside down financially it's losing 500k a year. In 2013 the DPW scrambles and the 12 cents per gallon user fee soars to 18 and 19 cents a gallon or again if compared to diesel fuel 18 or 19 dollars a gallon. In Benzie County I pay 208 dollars to unload my biggest truck. In GT County that same truckload costs me 936.00 to unload. 450% more for the same service. It would seem to me if it's a user fee I wouldn't use it. It would make more sense for me to truck all my loads to Benzie's facility or even build my own facility. After all State law allows it. However, I can't! State law says it is ok for GT to become a Monopoly and force us to use only their

facility. No competition allowed, no keeping the rates affordable for our citizens.

The law says they can make me haul it to their monopoly and pay 450 % more. It is ok to overbuild and overspend and force everyone to use it at a price 450% higher than next door and if that's not enough money they can keep raising the price like they did in 2013. High price equals less maintenance- less maintenance = more environmental pollution and less jobs. This is costing Grand Traverse residents an additional nearly 1,000,000 dollars a year. If multiplied by 83 Counties that would put a big hurt on Michigan's economy and environment.

Jackson County has also created a Monopoly and they are currently charging 21 cents per gallon.

I am here today to ask for your help by voting to pass HB 4874 and prevent this from costing our taxpayers unnecessarily. I strongly urge you to request your colleague's support of this important issue as well.

Thank you for your time.

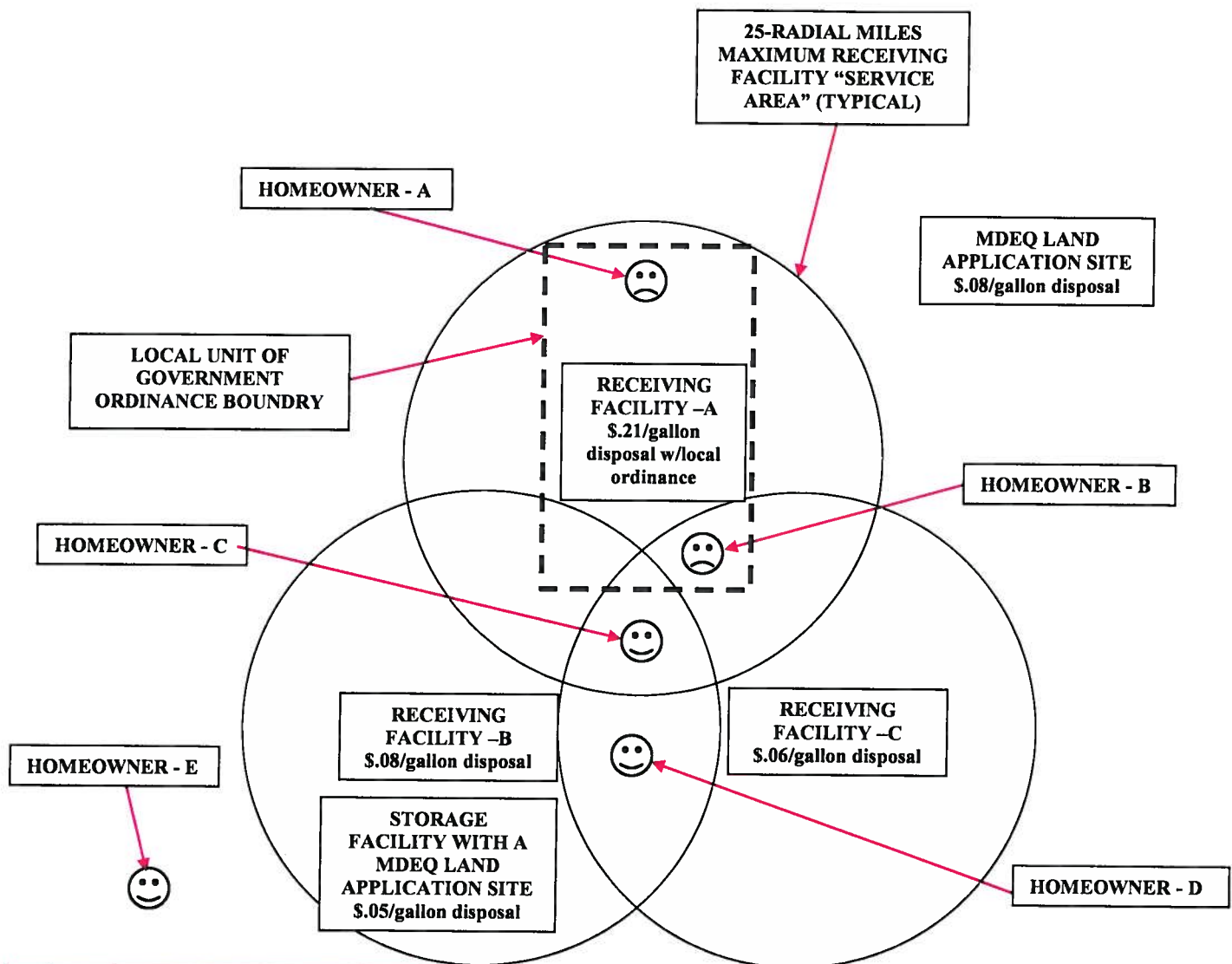
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#### House Bill 4874 Illustration Information

In reviewing the above illustration it should be clear that Homeowner's A & B will be paying significantly more to have their septic tank maintained than Homeowner's C, D & E because of a local unit of government "non-competitive" ordinance that requires all the septage generated in their unit of government be disposed at a designated facility. A typical 3-bedroom home in Michigan should have at least a 1,000-gallon septic tank. This means Homeowner's A & B will be paying approximately \$150 more for the same service as Homeowner's C, D & E. If the ordinance did not exist, this monopoly would not exist and the free market system would dictate lower costs. There is no incentive for these receiving facilities to lower the disposal fees even though a more competitive market could exist in their area. In fact, it encourages higher disposal fees.

The Storage Facility Operator with the MDEQ Licensed Septage Land Application Site will strongly consider storing and transporting (managing) most of his customer's septage waste to Receiving Facility-C rather than land apply this waste because of the more affordable disposal cost. The MDEQ Licensed Septage Land Application Site will probably take some of his customer's waste to Receiving Facility-C as well. It is doubtful either would even consider using the overpriced Receiving Facility-A. This Storage Facility Operator also would have the freedom to take care of business 24/7, not just during a receiving facilities scheduled hours, or when they close down because of possible capacity, or break-down issues.

House Bill 4874 makes sense for MDEQ licensed haulers that dispose of their customer's septage waste in MDEQ approved receiving facilities as well as those that land apply on MDEQ licensed land application sites.